

FISCAL NOTE

Bill #: HB 676

Title: Revise laws governing non-assumed counties

Primary

Sponsor: John Witt

Status: As introduced

Sponsor Signature	Date	Dave Lewis, Budget Director	Date
-------------------	------	-----------------------------	------

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$28,439	\$28,439
State Special Revenue	(\$28,439)	(\$28,439)
Net Impact on General Fund Balance:	(\$28,439)	(\$28,439)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The state maintenance of effort (MOE) for the Temporary Assistance for Needy Families (TANF) block grant is based on the level of FFY1994 expenditures. Counties have historically contributed to the TANF maintenance of effort based on 50% of their administrative charges and 22.5% of the non-federal share of benefits paid.
2. The bill caps non-assumed county expenditures for the TANF block grant program at the FY96 level of \$1,770,391 for total non-assumed county expenditures and FY96 aggregate county expenditures are lower than FY94 total county expenditures of \$1,854,464. The difference is \$84,073.
3. The \$84,073 gap between the required maintenance of effort and the FY96 amount will narrow with the reduction of the maintenance of effort to 77%. This reduction amounts to \$55,634, based on the FY94

(continued)

county expenditures. Therefore, the maximum amount of additional general fund needed to replace the capped county funds would be approximately \$28,439.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<u>Expenditures:</u>		
Personal services	\$15,357	\$15,357
<u>Benefits</u>	<u>13,082</u>	<u>13,802</u>
TOTAL	\$28,439	\$28,439
<u>Funding:</u>		
General Fund (01)	\$28,439	\$28,439
<u>Revenues</u>		
State Special Revenue	(\$28,439)	(\$28,439)
<u>Net Impact to Fund Balance (Revenue minus Expenditures)</u>		
General Fund (01)	(\$28,439)	(\$28,439)
State Special Revenue	\$28,439	\$28,439

EFFECTS ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This bill addresses how non-assumed counties will contribute to the TANF maintenance of effort. It does not include county costs for Food Stamps and Medicaid. County costs for Food Stamp and Medicaid are dependent on two variables: 1) federally set percentages and 2) the department's federally-mandated cost allocation plan which divides administrative costs among the three programs based on the amount of staff time spent on each program. As caseloads and/or administrative costs increase or the federal government expects a greater share of costs to be supported by states and local governments, the county poor fund mills needed to operate the program will increase.

TECHNICAL NOTES:

1. The application of capped funding will add administrative effort to compare actual expenditures against capped amounts at the individual county level for billing purposes.